

MEMORANDUM FOR: Deputy Director for Support

SUBJECT : Coffey Observation on Retirement Rationale

1. I agree age 60 policy is prejudicial. In the long haul if every employee joining CIA specifically accepted the retirement policy as a condition of employment and was paid a higher salary than regular government employees, there could be no argument.

At present time only a small proportion of our employees can be shown to have accepted our retirement policy prior to EOD and it would be difficult if not impossible to demonstrate conclusively that all or most employees have received better pay than their counterparts elsewhere in government.

2. I agree that our age retirement policy would justify placing all employees in CIA Retirement System or would justify supplementary terminal compensation.

3. I agree that Houston's rationale seems to speak too narrowly to a limited group of CIA employees--i.e., professional intelligence officers.


4. My personal recommendations are that:

a. We exclude GS-10 and below from the policy.

b. We provide compensatory payments to those complying with policy. I am prepared to make specific proposals to the end.

c. Consideration be given to include all affected employees under CIA Retirement System if considered legislatively possible. If so CIA should suspend policy for one year and go all out for necessary legislation.

25X1A


Special Assistant to the
Deputy Director for Support
for Special Studies

~~CONFIDENTIAL~~

21 March 1968

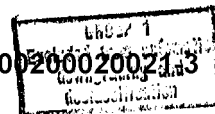
MEMORANDUM FOR: Mr. Bannerman

As time has passed and various papers have been produced and read, I have become increasingly bothered over the justice and justification in applying the same mandatory retirement age to Agency personnel in the Civil Service Retirement System as is the case for those in the CIA Retirement System. I honestly cannot see how we can satisfactorily explain to the personnel concerned or to the Congress or to the courts how we can insist upon retirement of the Civil Service System retirees with no extra benefits. It would appear that we are deliberately saying the people in the Agency system merit special rewards but you Civil Service retirees do not, even though our rationale is that you are special people -- people working under peculiar, unique conditions. It seems that Civil Service System retirees, who constitute about 75% of Agency personnel, are being put in fact in the category of "second-class citizens". -- I understand, for example, that a new change will guarantee shipment at Government expense of effects of CIA Retirement System retirees to their retirement points.

If our rationale is truly to be based on the uniqueness of the people or their work, it would seem that we should have some special provisions for them. Ideally, under the rationale as it has recently appeared, it would seem that all Agency employees covered by the rationale should be put into the Agency system or some equivalent thereof which would provide "compensation" for the deprivation of the usual Civil Service Retirement System "benefits".

I am also bothered at the emphasis placed on the production of intelligence as the activity which is the basis for the rationale, since very few of the individual CSRS retirees are truly involved in the production of the product on which the President and other senior officials rely. A further worry is the shift in the Larry Houston draft of the rationale from CIA intelligence to "intelligence". -- It would seem that this change would

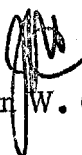
~~CONFIDENTIAL~~



make it difficult to justify the application of a "rule" to Agency personnel which is not apparently deemed necessary for personnel in State INR and civilian Intelligence personnel in NSA, DIA, and the military departments. In the Houston draft, it appears that a further division has been created by limiting the rationale to "professional Intelligence Officers" and those other professionals supporting them. Does this mean that we would then have to have a different rationale and possibly a different Agency limitation for the non-professional Civil Service Retirement System personnel — who constitute, as I understand it, about one-half of this group?

Despite the fact that the subject was discussed at earlier meetings under a defined overall policy view, I really believe that the case of the CSRS retirees is not satisfied by the stated rationale in the absence of specific benefits accruing to them in exchange for their giving up some of the entitlements of Civil Service System retirees. Even though I know that the Director desires all Agency personnel to move out at age 60, I cannot believe that he would not see the inequity when the situations of personnel in the Civil Service Retirement System are compared with those of personnel in the Agency system. I don't see how we can produce and apply a rationale which says in effect that two things (CIARS retirees and CSCRS retirees) are the same when we have deliberately made them different.

This may be over-dramatized or much too late, but I felt compelled to note these sentiments. I realize also that they do not take into account the additional work on rationale which you, yourself, have been doing.


John W. Coffey